

1 Allan M. Soobert (*pro hac vice*)
2 allansoobert@paulhastings.com
3 PAUL HASTINGS LLP
4 875 15th Street, N.W.
5 Washington, D.C. 20005
6 Telephone: (202) 551-1700
7 Facsimile: (202) 551-1705

8 Elizabeth L. Brann (SB# 222873)
9 elizabethbrann@paulhastings.com
10 PAUL HASTINGS LLP
11 4747 Executive Drive, 12th Floor
12 San Diego, CA 92121
13 Telephone: (858) 458-3000
14 Facsimile: (858) 458-3005

15 Attorneys for Defendants
16 Samsung Electronics Co., Ltd. and
17 Samsung Electronics America, Inc.

18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

IRONWORKS PATENTS LLC,

Plaintiff,

vs.

SAMSUNG ELECTRONICS CO., LTD., and
SAMSUNG ELECTRONICS AMERICA, INC.,

Defendants.

CASE NO. 4:17-cv-01958-HSG

**DEFENDANTS SAMSUNG
ELECTRONICS CO., LTD. AND
SAMSUNG ELECTRONICS AMERICA,
INC.'S OPPOSITION TO
PLAINTIFF'S MOTION TO DISMISS
DEFENDANTS' NON-
INFRINGEMENT COUNTERCLAIMS**

Date: August 31, 2017
Time: 2:00 p.m.
Courtroom: 2, 4th Floor
Judge: Hon. Haywood S. Gilliam, Jr.

1 **I. INTRODUCTION**

2 Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.
 3 (collectively, “Samsung”) respectfully oppose Ironworks Patents LLC’s (“Ironworks”) motion to
 4 dismiss. Ironworks’ motion not only mischaracterizes Samsung’s non-infringement counterclaims,¹ it
 5 serves no discernable purpose. Ironworks cannot credibly claim that it does not have notice of
 6 Samsung’s non-infringement counterclaims. Ironworks’ complaint frames the alleged infringement
 7 issues; Samsung’s counterclaims are responsive to those allegations. Samsung’s answers unequivocally
 8 deny the factual allegations supporting Ironworks’ infringement claims. Those denials form the bases
 9 for Samsung’s counterclaims, providing ample notice of Samsung’s positions and thereby satisfying
 10 the pleading requirements.

11 Ironworks’ motion also has no practical import because this case is well beyond the pleading
 12 stage and in the midst of discovery. Ironworks served an interrogatory requesting that Samsung
 13 provide the factual bases for its non-infringement positions. Samsung will respond to that
 14 interrogatory on August 7, 2017. Thus, before this motion is fully briefed and heard by the Court,
 15 Samsung will have provided the very same information that Ironworks seeks through this motion.
 16 There is simply no need for Samsung to reassert discovery responses in a pleading. As such,
 17 Ironworks’ motion appears to be nothing more than an attempt to create work for both Samsung
 18 and the Court. The Court should accordingly deny Ironworks’ motion.

19 **II. STATEMENT OF RELEVANT FACTS**

20 **A. Prior Plaintiff MobileMedia Idea LLC’s Complaint and Samsung’s Non-**
 21 **Infringement Counterclaims**

22 On May 26, 2017, prior Plaintiff MobileMedia Idea LLC (“MMI”) filed a complaint against
 23 Samsung in the Middle District of Florida. The Complaint alleges that Samsung infringes three
 24 patents—U.S. Patent Nos. 6,427,078 (the “078 Patent”), 5,915,239 (the “239 Patent”), and
 25 5,553,125 (the “125 Patent). (D.I. 1 ¶¶ 18–26.) For each of these asserted patents, the Complaint

26

27 ¹ Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. filed separate
 28 Answers to Ironworks’ complaint. (D.I. 28, 37.) However, the Answers, including the disputed
 counterclaims, are identical for purposes of Ironworks’ motion to dismiss and this opposition.

1 identifies the claims allegedly infringed by Samsung (*Id.* ¶¶ 30, 44, 55) and lists the Samsung products
 2 accused of infringing each patent-in-suit. (*Id.* at Appendices on pp.18–49.)

3 The Complaint also broadly alleges that the accused products include a number of features,
 4 each of which are described by language mirroring the claim language of the identified claims with a
 5 reference supposedly supporting these allegations. (*Id.* ¶¶ 31–35, 45–47, 56–59.) These statements
 6 make up the entirety of the Complaint’s infringement allegations against Samsung. For example, the
 7 Complaint states in regards to the ’078 Patent that:

8 Upon information and belief, the cell phone and smart phone
 9 products listed in Appendix 1 further include multiple
 10 microprocessors, see, e.g.,
 11 <http://www.techinsights.com/teardown.com/samsung-galaxy-s4/>
 12 (Exhibit G), including a microprocessor adapted to control the
 13 operations of the camera unit in response to input signals from the
 14 user interface, and to process image information received by the
 15 camera unit

16 (*Id.* ¶ 33.)

17 The answers filed by Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.
 18 deny the entire factual basis of Ironworks’ infringement allegations. (D.I. 28 ¶¶ 31–35, 45–47, 56–59;
 19 D.I. 37 ¶¶ 31–35, 45–47, 56–59.) Samsung’s non-infringement counterclaims in both answers also
 20 explicitly reference Ironworks’ infringement allegations (D.I. 28 ¶¶ 86, 91, 96; D.I. 37 ¶¶ 86, 91, 96),
 21 and reject them in asserting that “[Samsung] does not infringe and has not infringed any claims of the
 22 [asserted] Patent under any theory of infringement.” (D.I. 28 ¶¶ 87, 92, 97; D.I. 37 ¶¶ 87, 92, 97.) For
 23 example, SEC’s non-infringement counterclaim regarding the ’078 Patent² states that:

24 85. SEC realleges and reincorporates herein by reference the
 25 allegations in paragraphs 81–84 above.

26 86. In its Complaint, Plaintiff states that SEC infringes the ’078
 27 Patent.

28 87. SEC does not infringe and has not infringed any claims of the
 29 ’078 Patent under any theory of infringement.

30 88. Accordingly, there exists an actual and justiciable controversy
 31 between Plaintiff and SEC with respect to infringement of the ’078
 32 Patent.

2 SEA’s counterclaim regarding the ’078 Patent is substantively identical to SEC’s.

1 89. SEC hereby seeks entry of a declaratory judgment that it does
 2 not infringe any claim of the '078 Patent.

3 (D.I. 28 ¶¶ 85–89; D.I. 37 ¶¶ 85–89.)

4 **B. Ironworks' Interrogatory Requesting the Factual Bases for Samsung's Non-
 5 Infringement Counterclaims**

6 On March 28, 2017, this case was transferred from the Middle District of California to the
 7 Northern District of California. (D.I. 53.) On April 11, 2017, Ironworks moved to substitute as a
 8 plaintiff in place of MMI. (D.I. 55.) Just one day later, on April 12th, Ironworks served its First Set of
 9 Interrogatories (Nos. 1-11). (Brann Decl., Ex. A.)

10 Interrogatory No. 1 requests:

11 For each limitation of the asserted claims of the Patents-in-Suit, state
 12 the complete factual basis for your contention that the Accused
 13 Products do not infringe that element, explaining in detail the factual
 14 and legal basis for each such contention and identifying by Bates
 15 number documents sufficient to support each such contention.

16 (Ex. A at 3.)

17 As set forth in the Parties' Joint Case Management Statement and Rule 26(f) Report,
 18 Samsung agreed to "provide substantive responses [to Ironworks' First Set of Interrogatories] within
 19 30 days of when Ironworks is joined as a party to this case." (D.I. 91 at 9.) On July 6, 2017, the Court
 20 granted Ironworks' motion to substitute as plaintiff in place of MMI. (D.I. 92.) Accordingly, as the
 21 parties have already agreed, Samsung will have provided Ironworks with the factual bases for its non-
 22 infringement claims by August 7, 2017, before the present motion is fully briefed and well before the
 23 hearing for the present motion is set.

24 **III. STATEMENT OF ISSUES TO BE DECIDED**

25 Ironworks asks the Court to dismiss Samsung's non-infringement counterclaims for failure to
 26 state a claim under Fed. R. Civ. P. 12(b)(6). Samsung's answers deny the factual bases for the
 27 infringement allegations in Ironworks' complaint, providing Ironworks with notice of the accused
 28 products and patent claim limitations at issue. Samsung will have already provided an interrogatory
 29 response with the information Ironworks alleges is missing before this motion is heard. Should
 30 Ironworks' motion be denied?

1 **IV. ARGUMENT**

2 **A. Samsung's Counterclaims Satisfy the *Iqbal-Twombly* Pleading Standard**

3 “[A] party seeking declaratory relief [of non-infringement] is not required to plead more detail
 4 in its [pleading] than the accuser would be required to plead [in its infringement claims].” *MIS Scis.*
 5 *Corp. v. Rpost Commc'n Ltd.*, No. 14-cv-003760VC, 2016 WL 2931659, at *1 (N.D. Cal. May 19, 2016).
 6 Indeed, assuming that the party alleging infringement has based its claims on a good faith, objectively
 7 reasonable assessment, it should have notice of the issues raised by its own claims. *Id.* Accordingly, a
 8 claim for declaratory judgment of non-infringement may contain ***less detail*** than would be required
 9 for an infringement claim. *See Id.*

10 For example, in *MIS*, the defendant moved to dismiss plaintiff's non-infringement declaratory
 11 judgment claims, which detailed defendant's pre-suit allegation that plaintiff infringed its patents “by
 12 offering [a listed of specified] products and services” *Id.* The court denied the motion, holding
 13 that the plaintiff's non-infringement claims were adequately pled because the counterclaims’
 14 reference to defendant's pre-suit infringement allegations provided adequate notice of the “general
 15 category of products” encompassed by the non-infringement claims. *Id.* (citing *Infineon Techs. AG v.*
 16 *Volterra Semiconductor Corp.*, No. C-11-6239 MMC, 2012 WL 5988461, at *2 (N.D. Cal. Nov. 29,
 17 2012)).

18 Similarly, in *American Society of Anesthesiologists v. BerMD, LLC*, No. 15-cv-600-BAS (JLB), 2016
 19 U.S. Dist. LEXIS 188184 (S.D. Cal. Mar. 31, 2016), the court denied a motion to dismiss a
 20 declaratory-judgment claim for patent non-infringement, which was supported only by “scant facts”
 21 identifying the product relevant to the infringement dispute. *Id.* at *13. In doing so, it distinguished
 22 the pleading requirements for infringement claims from claims for declaratory judgment of non-
 23 infringement, noting that pleading non-infringement claims “require[s] at the very least the
 24 identification of a specific product” *Id.* at *12 (citing *ASUSTeK Comput. Inc. v. AFTG-TG LLC*,
 25 No. 5:CV 11-00192-EJD, 2011 U.S. Dist. LEXIS 149330, at *13 (N.D. Cal. Dec. 29, 2011); *Aubin*
 26 *Indus., Inc. v. Caster Concepts, Inc.*, No. 2:14-cv-02082-MCE-CKD, 2015 U.S. Dist. LEXIS 82881, at *4
 27 (E.D. Cal. June 25, 2015)).

1 Here, Ironworks has even more notice of the factual bases for the counterclaims asserted
 2 against it than either of the counterclaim defendants in *MIS* or *American Society of Anesthesiologists*.
 3 Ironworks cannot credibly claim that it somehow lacks notice of the products at issue or the
 4 limitations of the asserted claims allegedly practiced by those products. Ironworks' complaint frames
 5 those allegations, and Samsung's non-infringement counterclaims are responsive to them. Samsung's
 6 answers unambiguously deny the factual bases alleging that the accused products include limitations
 7 from the asserted claims, and each counterclaim specifically references those allegations. It is thus
 8 disingenuous for Ironworks to claim that it does not have proper notice of Samsung's non-
 9 infringement counterclaims. Ironworks' motion to dismiss should accordingly be denied.

10 **B. The Cases Cited by Ironworks Are Inapposite to the Current Facts**

11 None of the cases cited in Ironworks' motion support its position. As an initial matter,
 12 Ironworks cites a number of cases that have no discernable bearing on the situation at hand. *Wang v.*
 13 *Golf Tailor, LLC*, No. 17-cv-00898-LB, 2017 WL 2861111 (N.D. Cal. Jul. 5, 2017) addresses copyright
 14 counterclaims regarding an authorship dispute, not a responsive counterclaim for a declaration of
 15 non-infringement of a patent. *Id.* at *6–7. *PageMelding, Inc. v. ESPN, Inc.*, No. C 11–06263 WHA, 2012
 16 WL 3877686 (N.D. Cal. Sept. 6, 2012), was decided well before the December 2015 change in the
 17 applicable pleading standard. As such, this case does not apply to the current standard for pleading
 18 direct non-infringement counterclaims. And, to the extent that this case still applies to indirect non-
 19 infringement counterclaims, it only discusses inducement, which is not mentioned in Ironworks'
 20 complaint. *Id.* at *3.

21 In two of Ironworks' cited cases—*Tannerite Sports, LLC v. Jerent Enterprises, LLC*, No. 6:15-cv-
 22 00180-AA, 2016 WL 1737740 (D. Or. May 2, 2016) and *Electronic Communication Technologies, LLC v.*
 23 *Clever Athletics Co.*, 221 F. Supp. 3d 1366 (S.D. Fla. 2016)—the court found non-infringement
 24 counterclaims insufficiently pled. However, neither of these cases details the language of the deficient
 25 counterclaims, and Ironworks does not compare these cases with the language of Samsung's disputed
 26 counterclaims in this case.

27 Another case cited by Ironworks, *Comcast Cable Communications, LLC v. OpenTV, Inc.*, 319
 28 F.R.D. 269 (N.D. Cal. 2017), addresses a motion to dismiss filed at a *significantly earlier stage* of
 CASE NO. 4:17-cv-01958-HSG

1 the case than when Ironworks' motion was filed here. *See id.* at 270–72. *Comcast* does not mention
 2 pending responses to written discovery. In contrast, the instant case is well beyond the pleading
 3 stage, and Ironworks has already served an interrogatory requesting the bases for Samsung's non-
 4 infringement counterclaims. Samsung will thus be providing these details in its discovery responses,
 5 obviating the need to amend its counterclaims by reasserting its discovery responses in a pleading.

6 Finally, in *Ameranth, Inc. v. Pizza Hut, Inc.*, No. 11-CV-1810 JLS (NLS), 2012 WL 12918370
 7 (S.D. Cal. Jun. 26, 2012), the counterclaims at issue contained less detail than Samsung's
 8 counterclaims. *Id.* at *5. The *Ameranth* defendants' non-infringement counterclaims stated:

9 [Defendant] has not infringed and is not infringing, directly or
 10 indirectly, literally or under the doctrine of equivalents, any claim of
 11 the [patents-in-suit]. [Defendant] is entitled to a declaratory judgment
 that [Defendant] has not infringed and is not infringing, directly or
 indirectly, any claim of the [patents-in-suit].

12 *Id.* at *5. The court noted that “[n]owhere in their Answers or Counterclaims do [d]efendants allege
 13 any facts that would suggest . . . why they have not infringed [the patents-in-suit].” *Id.* Here, in
 14 contrast, Samsung's clear denials of the factual bases alleged in Ironworks' complaint and direct
 15 reference to Ironworks' claims in each counterclaim provide more than adequate notice of Samsung's
 16 bases for its non-infringement counterclaims.

17 None of the above-discussed cases address the circumstances here, where the counterclaims
 18 are responsive to the plaintiff's own claims, the case has advanced well beyond the pleading stage,
 19 and the parties are in the midst of discovery, exchanging the very same information sought by the
 20 motion. The Court should therefore deny Ironworks' motion.

21 **C. Ironworks' Motion to Dismiss Has No Practical Purpose**

22 Ironworks' motion serves no purpose, except for increasing the burden on the parties and the
 23 Court. Before filing this motion to dismiss, Ironworks served Samsung with an interrogatory
 24 requesting the same information regarding Samsung's non-infringement positions it alleges to be
 25 lacking from Samsung's counterclaims. As the Joint Case Management Statement indicates, Samsung
 26 agreed, and Ironworks acknowledged, that a response to this and other interrogatories would be due
 27 on August 7, 2017. (D.I. 91 at 8–9.)

28

1 Nonetheless, Ironworks filed this motion without specifically apprising Samsung of the
 2 alleged deficiencies in the counterclaims and ignoring the fact that it will imminently receive the
 3 information this motion seeks through discovery. Indeed, by the time this motion is fully briefed,
 4 Samsung will have already served responses to Ironworks' interrogatories, providing Ironworks with
 5 the same information it is requesting now and mooted any need for this motion. As a result,
 6 Ironworks' motion should be denied.

7 **V. CONCLUSION**

8 Samsung's answers provide Ironworks with adequate notice of the factual bases underlying its
 9 non-infringement counterclaims and comply with applicable pleading requirements. Ironworks has
 10 not provided any case law showing otherwise. Even if the motion had merit (it does not), it would
 11 have no effect on this case other than to require that Samsung redundantly reassert its discovery
 12 responses as the bases for its non-infringement counterclaims—information that Ironworks will
 13 already have well before the motion is fully briefed or heard. Accordingly, Samsung respectfully
 14 requests that the Court deny Ironworks' motion. To the extent that the Court disagrees, Samsung
 15 respectfully requests leave to amend its counterclaims.

16 DATED: August 1, 2017

17 Respectfully submitted,

18 By: /s/ Elizabeth L. Brann
 19 Allan M. Soobert (*Pro Hac Vice*)
 20 PAUL HASTINGS LLP
 21 Washington, DC 20005
 22 (202) 551-1700
 23 (202) 551-1705 fax
 24 allansoobert@paulhastings.com

25 Elizabeth L. Brann (SB# 222873)
 26 PAUL HASTINGS LLP
 27 4747 Executive Drive, 12th Floor
 28 San Diego, CA 92121
 29 (858) 458-3000
 30 (858) 458-3005 fax
 31 elizabethbrann@paulhastings.com

32 *Attorneys for Defendants*
 33 *Samsung Electronics Co., Ltd. and*
 34 *Samsung Electronics America, Inc.*